



## MUSIC PUBLISHING CATALOG LICENSE

This agreement (“**Agreement**”) is entered into as of the date indicated above (“**Effective Date**”) by and between **Peloton Interactive, Inc.** (collectively along with its affiliates and subsidiaries, “**Licensee**”), and the publisher named above (collectively along with its affiliates and subsidiaries, “**Licensor**”) (each a “**Party**” and collectively the “**Parties**”). All capitalized terms in this Agreement are defined in **Exhibit A** attached hereto.

WHEREAS Licensee is a fitness, health and wellness, and technology company specializing in, among other things, home fitness equipment, instructor-led streaming and on-demand fitness classes and, in connection therewith, desires to exploit, in whole or in part, various Compositions in its Service Offering; and

WHEREAS Licensor owns, controls and/or administers a catalog of musical compositions embodied in sound recordings (individually, and collectively, the “**Composition(s)**”) and wishes to license the catalog of Compositions in accordance with the rights and license described in **Section 1** of this Agreement to Licensee;

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. Grant of Rights:** Licensor hereby grants to Licensee the non-exclusive, royalty-bearing right (but not the obligation), privilege and license to ((a) through (c), collectively, the “**Licensed Rights**”): (a) reproduce and incorporate the Compositions (or any portions thereof) in or as part of Content including, without limitation, in timed relation with static or moving audiovisual works; (b) reproduce, host and store the Compositions on and in connection with the creation of Content on computer servers owned or controlled by or on behalf of Licensee for the purpose of making such Content available for use as authorized in this Agreement; and (c) make available, distribute, transmit, communicate to the public and publicly perform the Compositions as embodied in Content made available in connection with the delivery of the Service Offering to Users in any and all formats, manners and media now known or hereafter devised.

**2. Royalties:**

(a) **Royalties.** In full and final consideration of the Licensed Rights, during any calendar quarter in which Licensee exploits the Licensed Rights, Licensee shall credit or pay to Licensor an amount equal to the sum of the following ((i) and (ii), collectively, “**Royalties**”):

- (i) Licensor’s Usage Percentage multiplied by the product of (y) the total number of Monthly Hardware Subscribers; and (z) the Hardware Pool; and
- (ii) Licensor’s Usage Percentage multiplied by the product of (y) the total number of Monthly Digital Subscribers; and (z) the Digital Pool.

(b) Free Trials. Licensors acknowledge that Licensee may allow Users to access Content made available via the Service Offering on a free trial basis, at no charge to such applicable Users, for a period not to exceed 30 days (a “**Free Trial**”). For the avoidance of doubt, no Royalties shall be due to Licensors for the transmission, distribution, use or availability of any Compositions in or as part of Promotional Content or any Content made available during a Free Trial.

(c) Partial Subscriptions. Notwithstanding anything to the contrary contained herein, with respect to any Monthly Hardware Subscriber or Monthly Digital Subscriber, as applicable, that has subscribed to the Service Offering for a period that is less than the entirety of a calendar month (a “**Partial Subscriber**”), such Partial Subscriber shall count as a fraction of a Monthly Hardware Subscriber or Monthly Digital Subscriber, as applicable, calculated as follows: (i) the numerator of which is the total number of days in the applicable calendar month that the Partial Subscriber concerned has subscribed to the Service Offering; and (ii) the denominator of which is the total number of days in the calendar month concerned.

### **3. Payment and Accounting:**

(a) Accountings: Licensee or its agent will calculate and pay Royalties due to Licensors hereunder on a calendar quarterly basis, within 60 days after the end of each calendar quarter of the Term, and will provide accounting statements in connection therewith. Such statements will include the data reasonably necessary to verify the calculations of such Royalties paid or payable hereunder. All Royalty payments will be in U.S. Dollars payable to Licensors by check sent to the Licensors’ address as set forth in an IRS Form W-9 or W-8BEN delivered by Licensors to Licensee (or Licensee’s agent), or sent to Licensors via electronic or other means if both Parties have agreed and are able to process such payments, provided the Royalties due to Licensors for the applicable accounting period are equal to or greater than \$50.00 (the “**Minimum Amount**”). Where the balance due to Licensors falls below the Minimum Amount, such balance will roll over to successive accounting periods until such time as the Minimum Amount is reached, at which time Licensee will make payment to Licensors in accordance with this provision. Licensors acknowledge and agree that Licensee may designate an agent for the purpose of calculating and providing Royalty statements and payments to Licensors pursuant to this Agreement. Royalty statements will be made available to Licensors via Licensors’ web account with Music Reports, Inc. for each period in which licensed activity occurs.

(b) Adjustments: If the Royalties payable to Licensors for a given accounting period are subsequently determined by Licensee or its agent to be less or greater than the amount already accounted or paid to Licensors for that accounting period, then Licensee or its agent will make an accounting adjustment accordingly as promptly as commercially practicable, and the corresponding debit or credit will be reflected on the next Royalty statement. Such statement will be accompanied by a “true-up” payment if applicable (provided the Royalties due have reached the Minimum Amount).

### **4. Term and Territory:**

(a) Term: This Agreement will commence as of the Effective Date and will continue for a period of three years (the “**Initial Period**”), after which it will renew automatically for successive periods of one year (each a “**Renewal Period**”, and together with the Initial Period, the “**Term**”) unless terminated by either Party in writing no less than 90 days prior to the end of the Initial Period or then-current Renewal Period, as applicable.

(b) Termination: Without limiting any other remedy available at law or in equity, this Agreement may be terminated by either Party in the event the other Party breaches any material provision contained herein and fails to cure such breach within 30 days following receipt of specific written notice thereof. Licensee will also have the right to terminate the Term upon notice to Licensors in the event that Licensee ceases to operate the Service Offering during the Term.

(c) Transition Period: For a period of 90 days following the expiration or termination of the Term (the “**Transition Period**”), the Parties shall work together and cooperate fully and in good faith to ensure that Licensors’ transition of the Compositions is implemented in a manner so as not to

interfere with Licensee's and its affiliates' orderly conduct of their businesses and to ensure, to the extent possible, that the Content is available during the Transition Period without any disruption, interruption or adverse impact to Licensee, its affiliates, any User or third party. Notwithstanding anything contained herein to the contrary, during the Transition Period, Licensee shall have the right to continue to make available Content on or through the Service Offering, and Licenser shall continue to permit Licensee to use the Compositions, in accordance with the terms and conditions of this Agreement, including Licensee's obligation to remit Royalties payable hereunder.

**5. Takedowns:** Licenser will have the right to provide a written takedown request for any specific Composition or Compositions in the event of a bona fide dispute between Licenser and a writer or co-publisher of any such Composition, provided such takedown request is made on a non-discriminatory basis as relates to Licenser's then-current third party licensees and in a manner that does not frustrate the intent or purposes of this Agreement. Upon receipt of such request, Licensee will endeavor to remove or replace said Composition or Compositions from the Service Offering as soon as possible but in no event later than 30 days of receipt of such notice or the identification of such Composition in Licensee's sound recording catalog; provided that Licenser has first attempted in good faith to procure approval for Licensee's continued use of the Composition(s) via the Service Offering.

**6. Representations and Warranties/Indemnity:**

(a) **Mutual Ability:** Each Party represents and warrants to the other that it has full right, power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) **By Licenser:** Licenser represents, warrants and covenants that (i) no consent from any third party is required for the exploitation of the Compositions as agreed in this Agreement; (ii) the exploitation by Licensee of the Licensed Rights pursuant to this Agreement shall not trigger any payments, liabilities or obligations to any third party; and (iii) Licensee's use of the Composition(s) as provided herein will not infringe upon the rights of any third party during the Term, including any copyright and/or other intellectual property rights or contractual rights.

(c) **Indemnity:** Each Party hereto will indemnify, defend and hold the other Party, its officers, directors, employees, agents and assigns harmless from any third party claims, judgments, costs, damages or expenses (including reasonable legal costs and attorneys' fees) solely to the extent arising out of a breach of such Party's representations or warranties hereunder. The indemnifying Party shall solely conduct the defense of any such claim and all negotiations for its settlement or compromise; provided, however, that: (i) no settlement or compromise shall be entered into or agreed to without the indemnified Party's prior approval; and (ii) the indemnified Party has the right to participate, at its own expense, in the defense and/or settlement of any such claim or action in order to protect its own interests.

**7. Confidentiality:** The terms of this Agreement and any and all confidential and proprietary information of a Party disclosed or learned in connection with this Agreement that is marked or designated as "Confidential" and/or "Proprietary", or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure, including documents, research, reports, strategy, methodologies, market share calculations, marketing plans, technical information, data, metrics, transactions, materials, specifications, designs and information, tangible and intangible, shall be treated as confidential, and not disclosed to any third parties, except: (a) to such Party's legal counsel, accountants, financial advisors, tax professionals, artists and/or their representatives, any federal, state, or local governmental taxing or regulatory authority, and such Party's management, officers and directors who have a need to know and who have agreed to be bound by the confidentiality provisions hereof; and (b) as required by law or court order; provided, however, that the disclosing Party shall provide prompt notice of the same prior to such required disclosure such that the other Party may seek a protective order or other appropriate remedy to safeguard, restrict and/or limit the disclosure of such information. Failure to adhere to this provision shall be deemed a material breach of this Agreement.

**8. Non-Disparagement:** Licensor shall not publicly disparage or denigrate the Service Offering, Licensee, its affiliates and/or any of their employees and instructors (including, without limitation, framing, linking to, advertising, or otherwise endorsing any other website, trade organization or media that disparages or denigrates the Service Offering, Licensee, its affiliates and/or any of their employees and instructors) ("**Objectionable Content**"). The Parties each acknowledge and agree that Licensor's breach of the foregoing provision shall have a material adverse effect on the business and operations of Licensee and that the actual amount of damage sustained by Licensor because of such breach would be impracticable, extremely difficult or impossible to determine. Accordingly, in the event of Licensor's breach of this Non-Disparagement provision, Licensee is entitled to (in addition to all other rights and remedies at law, in equity or under this Agreement that Licensee may have) liquidated damages in an amount equal to \$10,000 for each instance of such Objectionable Content. The Parties further acknowledge that (a) the amount of loss or damages likely to be incurred is incapable or is difficult to precisely estimate; (b) the foregoing amount is not a penalty and bears a reasonable relationship to the probable loss likely to be incurred in connection with Licensor's publication of any Objectionable Content; and (c) the Parties are sophisticated business parties and have been represented by sophisticated and able legal counsel and negotiated this Agreement at arm's length.

**9. Miscellaneous:**

(a) **Addresses and Notices:** All notices hereunder must be in writing and will be deemed effective: (i) if provided by hand delivery, upon delivery; (ii) if provided by nationally recognized overnight courier, one business day following the date sent; or (iii) if provided by registered or certified mail, return receipt requested, five business days following the date mailed. Notices to Licensee will be addressed to Peloton Interactive, Inc., Attn: Legal Department, 125 West 25<sup>th</sup> Street, New York, NY 10012; notices to Licensor will be addressed as set forth on the Form W-9 or W-8BEN Licensor delivers to Licensee or Licensee's agent. Additionally, notice to Licensor may be provided by email sent to the address on file with Licensee's administrative agent from time to time.

(b) **Entire Agreement; Severability; Interpretation:** This Agreement sets forth the entire understanding between the Parties with respect to the subject matter hereof, and all prior and contemporaneous agreements are merged herein. No modification of this Agreement, or waiver of any right hereunder, will be binding on either Party unless memorialized in a writing signed by the Party to be charged with such amendment or waiver. If any term of this Agreement is found to be legally invalid or unenforceable for any reason, all other terms of this Agreement will nevertheless remain in full force and effect. The terms "include," "includes," and "including," whether or not capitalized, mean "include, but are not limited to," "includes, but is not limited to," and "including, but not limited to," respectively and are to be construed as inclusive, not exclusive.

(c) **Force Majeure:** Performance by either Party of its obligations hereunder will be excused to the extent caused by forces beyond its reasonable control, including strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God.

(d) **Assignment:** This Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party except that either Party may freely assign this Agreement (i) to any affiliated company (an affiliated company meaning any entity that directly or indirectly controls or is controlled by, or is under common control with, a Party); and (ii) in the event of a sale of all or substantially all of such Party's assets. This Agreement will be binding upon the Parties and their permitted successors and assigns.

(e) **LIMITATION OF LIABILITY:** EXCEPT FOR EITHER PARTY'S INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 6(c) OF THIS AGREEMENT, OR DAMAGES ARISING FROM EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR BREACH OF ITS CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTION 7 OR LICENSOR'S BREACH OF SECTION 8, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY

HEREUNDER FOR ANY AMOUNTS INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL, OR PUNITIVE DAMAGES (EVEN IF PREVIOUSLY APPRISED OF THE POSSIBILITY THEREOF) IN CONNECTION WITH OR ARISING FROM THIS AGREEMENT. NO PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT.

(f) Governing Law. This Agreement and all disputes, claims, actions, suits or other proceedings arising hereunder shall be governed by, and construed in accordance with, the substantive law of the State of New York applicable to contracts wholly made and to be performed within the State of New York. Each Party irrevocably submits to the sole and exclusive jurisdiction of the courts of New York State and the Federal courts of the Southern District of New York, situated in the City, County and State of New York. Each Party irrevocably consents to the exercise of personal jurisdiction over each of the Parties by such courts and waives any right to plead, claim or allege that New York is an inconvenient forum.

(g) Survival; Counterparts and Signatures: Any provision of this Agreement which, either by its terms or to give effect to its meaning, must survive, including, **Sections 6(c), 7 and 8**, shall survive the cancellation, expiration or termination of this Agreement. This Agreement may be executed in counterparts, all of which, when taken together, will constitute one and the same document. Facsimile or electronic signatures hereto will be deemed original for all purposes.

**ACCEPTED AND AGREED:**

LICENSOR

PELOTON INTERACTIVE, INC.

By: TSUNAMI FLOW

By:  \_\_\_\_\_

An Authorized Signatory

Name (printed): Gil Aronow

Title: VP, Global Music Strategy

## **EXHIBIT A**

### **Definitions**

**“Content”** shall mean digital files, materials and/or content containing the Compositions or any parts thereof, including remixes, adaptive mixes (e.g., volume, timing, rhythm, key changes based on user input), and mashups of any Compositions (or parts thereof), together with static or moving visual images, including in timed relation therewith, the subject matter of which consists primarily of videos, classes and programming relating to fitness, wellness and health

**“Devices”** means any and all mobile phones, tablets, televisions, streaming “sticks”, set-top boxes, laptops and similar hardware devices capable of video playback.

**“Digital Pool”** shall mean the Per Digital Subscriber Rate set forth on **Exhibit B** for each applicable Territory (which amount is based upon Licensee’s current monthly digital subscription rate as set forth on **Exhibit B** and may be adjusted by Licensee on a pro-rata basis in the event of any modification to such subscription rate), less: (i) all or third party payment processing fees, and (ii) royalties, tariffs, levies and other amounts payable to musical composition rightsholders (including collective rights organizations and management societies) for public performance rights, however characterized under any applicable laws, rules or regulations in such Territory.

**“Hardware Pool”** shall mean the Per Hardware Subscriber Rate set forth on **Exhibit B** for each applicable Territory (which amount is based upon Licensee’s current monthly hardware subscription rate as set forth on **Exhibit B** and may be adjusted by Licensee on a pro-rata basis in the event of any modification to such subscription rate), less: (i) all or third party payment processing fees, and (ii) royalties, tariffs, levies and other amounts payable to musical composition rightsholders (including collective rights organizations and management societies) for public performance rights, however characterized under any applicable laws, rules or regulations in such Territory.

**“Monthly Digital Subscribers”** shall mean the number of User accounts for whom access to or use of the Service Offering is made available solely (a) via a mobile application accessible on Devices; and (b) in consideration of a payment of a recurring fee and/or periodic access charge, as determined on the last day of each applicable calendar month (and adjusted for Partial Subscribers). For clarity, Monthly Digital Subscribers shall not include Monthly Hardware Subscribers.

**“Monthly Hardware Subscribers”** shall mean the number of User accounts for whom access to or use of the Service Offering is made available solely (a) via Licensee Hardware; and (b) in consideration of a payment of a recurring fee and/or periodic access charge, as determined on the last day of each applicable calendar month (and adjusted for Partial Subscribers).

**“Licensee Hardware”** shall mean hardware or equipment that is manufactured, designed or created and branded by or on behalf of Licensee (e.g., bikes, treadmills).

**“Licensor’s Usage Percentage”** shall mean a fraction (calculated separately for Monthly Hardware Subscribers and Monthly Digital Subscribers), the numerator of which is the aggregate number of times that any Compositions (excluding any Compositions contained in Promotional Content or Content accessed during Free Trials) is played for 30 seconds or more by Monthly Hardware Subscribers or Monthly Digital Subscribers (as applicable) during each calendar month, and the denominator of which is the aggregate number of times that all compositions (excluding any compositions contained in Promotional Content or Content accessed during Free Trials) are played for 30 seconds or more by Monthly Hardware Subscribers or Monthly Digital Subscribers (as applicable) during each such calendar month.

**“Per Digital Subscriber Rate”** has the meaning set forth on **Exhibit B**.

**“Per Hardware Subscriber Rate”** has the meaning set forth on **Exhibit B**.

**“Promotional Content”** means up to three hours of Content that is provided to Users at no charge for a limited period of time primarily for purposes of advertising, marketing and promoting the availability of

the Service Offering in the Territory, which Content may be made via the Service Offering and/or any other website(s) or application(s) owned and/or controlled by Licensee or its affiliates. Unless otherwise stated, all references to Content shall include Promotional Content.

**“Service Offering”** shall mean the digital media fitness, health and wellness service offering owned, controlled, operated or served by Licensee or any of its affiliates (and/or made available by or on behalf of third parties using an application programming interface, software development kit, plugin or other technology provided or approved by Licensee), that makes available Content to Users on a streaming and/or on-demand basis via any media, including “live feeds” of contemporaneously occurring fitness programs and archives of previously streamed fitness programs; provided that Users are not permitted to choose any specific sound recording or track for playback separate and apart from the Content.

**“Territory”** shall mean worldwide.

**“Users”** shall mean those end users who are permitted by Licensee to access the Service Offering in the Territory.

**EXHIBIT B**

**PER HARDWARE SUBSCRIBER RATE AND PER DIGITAL SUBSCRIBER RATE**

<b>Territory</b>	<b>Per Hardware Subscriber Rate/Monthly Hardware Subscription Rate</b>	<b>Per Digital Subscriber Rate/Monthly Digital Subscription Rate</b>
U.S.	<b>Per Hardware Subscriber Rate:</b> USD \$2.50 <b>Monthly Hardware Subscription Rate:</b> USD \$39/month	<b>Per Digital Subscriber Rate:</b> USD \$1.25 <b>Monthly Digital Subscription Rate:</b> USD \$12.99/month
Canada	<b>Per Hardware Subscriber Rate:</b> CAD \$2.50 <b>Monthly Hardware Subscription Rate:</b> CAD \$49/month	<b>Per Digital Subscriber Rate:</b> CAD \$1.25 <b>Monthly Digital Subscription Rate:</b> CAD \$12.99/month
E.U.	<b>Per Hardware Subscriber Rate:</b> €2.50 <b>Monthly Hardware Subscription Rate:</b> €39/month	<b>Per Digital Subscriber Rate:</b> €1.25 <b>Monthly Digital Subscription Rate:</b> €12.99/month
U.K.	<b>Per Hardware Subscriber Rate:</b> £2.50 <b>Monthly Hardware Subscription Rate:</b> £39/month	<b>Per Digital Subscriber Rate:</b> £1.25 <b>Monthly Digital Subscription Rate:</b> £12.99/month
Australia	<b>Per Hardware Subscriber Rate:</b> A\$2.50 <b>Monthly Hardware Subscription Rate:</b> A\$39/month	<b>Per Digital Subscriber Rate:</b> A\$1.25 <b>Monthly Digital Subscription Rate:</b> A\$12.99/month
Other Territories	Promptly following the launch of the Service Offering in other countries of the Territory, if any, Licensee shall provide notice to Licensor of such launch and the applicable Per Hardware Subscriber Rate, Monthly Hardware Subscription Rate and Monthly Digital Subscription Rate (as applicable).	